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Foreign Crops and MARKETS



IN THIS ISSUE

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GRAINS AND GRAIN PRODUCTS	Page
Peru Estimates Wheat Production	
Unchanged From Last Year	423
Argentine Grain Acreages Sown	422
European Fall-Seeding Conditions	422
Slovakian Crop Goals for 1944	422
VEGETABLE OILS AND OILSEEDS	
Argentine Flaxseed Acreage Revised Downward .	425
Bulgarian Vegetable-Oil Industry Uses	
Watermelon and Cantaloupe Seeds	425
COTTON AND OTHER FIBERS	
Second Indian Cotton Acreage Forecast	
Shows Decrease in Area Planted	426
Indian Jute Production Decreases	426
TOBACCO	
Argentine 1942-43 Tobacco Production Low	428
Cuban 1943-44 Tobacco Plantings Larger;	
Exports and Consumption Increase;	
Stocks Reduced	429
LIVESTOCK, MEATS, AND WOOL	
Uruguay Slaughters More Sheep	432
New Uruguayan Wool Clip Larger	433
United Kingdom Wool Manufacturing Industry	
Continues to be on Reduced Scale	436
Danish Exports of pork and Hogs to Germany ..	422

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LATE FOREIGN DEVELOPMENTS . . .

ARGENTINA

The latest revised estimates of the small-grain acreage sown, with 1942 acreage in parentheses, are as follows, in thousand acres: Wheat 16,914 (16,979), oats 5,258 (4,756), barley 1,745 (1,420), rye 4,510 (4,292). The acreage sown to oats and rye is the largest recorded. Trade sources estimate a probable increase of 20 percent in corn acreage.

EUROPE

Ploughing and seeding are continuing, with soil conditions largely favorable. The labor shortage is reported to be the principal obstacle in the fall-seeding operations.

SLOVAKIA

Orders were issued obligating Slovakian farmers to devote at least 50 percent of their arable land to grain crops during the 1943-44 crop year. Cultivation of other crops at the sacrifice of grain was prohibited. The orders provided also that sugar beets and potatoes in 1943-44 would have to be cultivated to the same extent as in 1941-42. The complaint was made that in recent years the areas devoted to these crops had been reduced in favor of vegetables. It was pointed out in that connection that only 37,000 acres were devoted to sugar beets in 1942-43 compared with 40,000 acres in 1941-42 and about 50,000 acres in 1940-41, to the detriment of Slovakia's home supplies and foreign trade in sugar. The cultivation of oilseeds and fiber plants in 1943-44 is to be increased at the sacrifice of vegetables. The use of farm land for the latter must be limited to a maximum of 50 acres per farm. Areas gained by the draining of marshes are to be used for expanding the cultivation of potatoes.

DENMARK

Denmark is estimated to have exported one-third of the pork produced in the country to Germany in recent months. Exports of pork to that destination for the first 6 months of 1943 amounted to 69 million pounds and were larger than those for the entire calendar year 1942, which amounted to only 39 million pounds against 137 million in 1941. In addition, exports of live hogs to Germany in the first half of 1943 totaled 17,702 against 47,840 in the same period of 1942. Annual exports of hogs to Germany amounted to 52,724 head in 1942 against 247,326 in 1941. Cattle shipments to Germany in the first half of 1943 amounted to only 853 compared with annual shipments in 1941 and 1942 of between 30,000 and 40,000 head, and an annual average for the 5 years, 1935-1939, of 5,295 head.

GRAINS AND GRAIN PRODUCTS . . .

Gordon P. Boals, in charge

PERU ESTIMATES WHEAT PRODUCTION UNCHANGED FROM LAST YEAR

The 1943 wheat harvest in Peru is estimated at about 3.7 million bushels, or the same as the 1942 production, according to information received in the Office of Foreign Agricultural Relations. The country is a net importer of wheat and normally grows somewhat less than half of its requirements. In 1942 the crop was reported at around 3.7 million bushels and imports were 4.0 million bushels. At the current estimate the crop is somewhat below early season forecasts, the reduction being attributed to heavy rust damage during the growing season. The full amount of the damage has not been assessed, but the loss is estimated to be about 10 percent of the potential outturn.

The consumption of wheat has been growing, according to indications, but the increase is provided for by a step-up in imports rather than in increased production. Under present shipping difficulties, however, and with the storage facilities of the country inadequate for lengthy periods of storage, supplies have shrunk, and a shortage is foreseen unless imports can be made on a larger scale. The increased consumption has been encouraged by the Peruvian Government, which has subsidized shipping and stabilized the retail prices of wheat products. A rice shortage, especially in the sierra regions, during the current year has contributed to the larger utilization of wheat. As a consequence, it is thought that the surplus of wheat over local needs in the sierras will be limited, if any. Last year 10 percent of the wheat crop was reportedly shipped to mills in the coastal area.

PERU: Wheat production, trade, and apparent utilization,
1935-1943

YEAR	PRODUCTION	IMPORTS <u>a/</u>			EXPORTS	APPARENT
		WHEAT	FLOUR	AS GRAIN		DOMESTIC
						UTILIZATION
	1,000 bushels:	1,000 bushels:	1,000 bushels:	1,000 bushels:	1,000 bushels:	
1935	2,134	4,385	70	0	6,589	
1936	3,029	4,476	73	0	7,578	
1937	3,316	4,479	97	0	7,892	
1938	3,787	4,443	98	0	8,328	
1939	4,106	5,011	83	0	9,200	
Average	3,274	4,559	84	0	7,917	
1940	3,739	4,731	91	0	8,532	
1941	3,687	4,028	79	0	8,172	
1942	3,700	-	-	-	-	
1943 <u>b/</u>	3,700	-	-	-	-	

From reports of the American Embassy at Lima, Peru. ^{a/} Calendar year following the harvest. ^{b/} Preliminary estimate.

The crop is grown almost entirely in the sierra region, most of it at altitudes of from 3,000 to 10,000 feet. Small patches grow on slopes of from 25 to 35 percent or even as high as 50 percent. Under normal conditions, it is largely consumed in

the region where grown. Even if produced in excess of local needs, the difficulty of transporting it to the coastal areas would prevent its being in a position to compete with imported grain, in normal times. The coastal areas are accustomed to the imported wheat and flour, which are of higher quality than the domestic product.

The principal producing areas are as follows, with the percentage of the total produced in 1940: Junin 35 percent, Cuzco 21 percent, Huancavelica 17 percent, and Arequipa 9 percent. The highest yields are reported in parts of Arequipa, where out-turns of as high as 50 bushels per acre are reported on irrigated tracts. The Mentana variety, which came originally from Italy, is said to be grown almost exclusively in that region. Climatic conditions favor growing the soft type of wheat, and an outstanding difficulty in maintaining high quality is said to be the tendency of the semihard types to produce soft wheat after having been grown in the country for several years. The weight of domestic wheat compares unfavorably with that of imported wheat, and primitive threshing methods further reduce the quality by leaving a high percentage of foreign matter in the grain.

The acreage sown to wheat is limited by the restricted area of land suitable for wheat growing in Peru. Most of the grain is grown on small holdings not adapted to the use of modern machinery, even though the Government makes some harvesting equipment available at a nominal fee. Another limiting factor is the uncertainty of moisture supplies. In the sierras, which comprise the principal wheat region, the grain is cultivated largely under natural conditions of rainfall. The moisture supplies are variable, and from time to time severe rust infestation has resulted in heavy damage to the crop. Shortages of fertilizer supplies also contribute to the difficulties, as do transportation problems. The Government has offered many inducements to growers to expand their wheat acreage. But despite the official encouragement since 1929, the area shows little increase, and the outlook is not favorable for the desired expansion.

Measures taken to help wheat farmers include premiums offered for large areas grown and also for high quality grain. A minimum price has been fixed and free seed made available. Easy credit is offered with loans at low interest rates. Low freight charges from the main producing regions to the coastal areas have also been provided.

Under present restricted shipping conditions the country's dependence on imports is serious, and a flour shortage has been threatening. The shortage will, according to reports, be most marked toward the end of 1943. Wheat imports have, in the past, been largely from Argentina. In the first half of 1943, however, a considerable quantity was also reported from Australia.

More than 95 percent of the wheat imports enter the country through the port of Callao. The three leading flour mills of the country, two in Callao and one in Lima have, together, an estimated storage capacity of around 2.2 million bushels. A Government warehouse in a suburb of Callao has an additional capacity of 0.9 million bushels and storage facilities in Mollendo and Arequipa are reported to be sizable. The largest of the privately owned mills, however, provides only roofless sheds, which offer inadequate protection in the humid climate of Peru.

VEGETABLE OILS AND OILSEEDS . . .

Fred J. Rossiter, in charge

ARGENTINE FLAXSEED ACREAGE REVISED DOWNWARD

The area sown to flaxseed in Argentina is now placed at 5,827,000 acres compared with an earlier forecast of 5,995,000 acres. The decrease is probably in the Province of Santa Fe where heavy frosts during September damaged the crop while in the flowering stage. Argentina was threatened with another drought, but this was averted by heavy rainfall during the first week in October. As the weather has been favorable since that time, it is possible that the yield per acre will be about average, resulting in a harvest of at least 60,000,000 bushels.

ARGENTINA: Flaxseed acreage estimates 1941 - 1943

ITEM	1941	1942	1943
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
First estimate	6,745,830	6,091,015	a/
Second estimate	6,753,243	6,103,370	5,994,646
Third estimate	6,738,417	6,005,000	5,826,618

Compiled from official sources.

a/ Not reported.

BULGARIAN VEGETABLE-OIL INDUSTRY USES WATERMELON AND CANTALOUPE SEEDS

The Bulgarian Government announced on September 3, 1943, its creation of the "Union of Vegetable Oil Industries" for the purpose of collecting watermelon, cantaloupe, and other melon seeds to be crushed for their oil content. All households, restaurants, and other food-consuming establishments are offered a cake of soap (without ration points) for each 4.4 pounds of watermelon seeds or 6.6 pounds of seeds from other melons delivered to the agency through the cooperatives.

After making laboratory tests the Food Export Directorate reported that seeds from watermelons contain 25 percent of oil and those from other melons, 17 percent. There are about 750,000 acres planted to all melons annually in Bulgaria, and it is estimated that about 90 million pounds of seeds could be collected, from which it is possible to obtain 17 to 22 million pounds of oil. This quantity may not be realized this year, however, due to the fact that the collection campaign was begun about the middle of the season.

Vegetable oils are among the food commodities in greatest deficiency in Bulgaria as well as in other Axis areas of Europe. Domestic supplies are rationed even more closely in order to provide maximum quantities for export to Germany. Domestic production of all oilseeds amounted to more than 700 million pounds in 1942, including sunflower seed (54 percent), soybeans (20 percent), cottonseed, castor beans, rapeseed, hempseed, and flaxseed.

SECOND INDIAN COTTON ACREAGE FORECAST SHOWS DECREASE IN AREA PLANTED

Confirming the acreage reduction noted in the first official forecast of the 1943-44 cotton crop in India, the second forecast announced recently that 14,701,000 acres had been planted to cotton. There are four official forecasts announced periodically through the planting season, each of which reports the acreage sown to date and predicts the total acreage on a basis of this information; and there is a final estimate at the end of the season, which gives the total area sown to cotton.

The acreage announced in the second forecast (14,701,000) is an 8.3-percent decrease in planted acreage from that seeded on the corresponding date last year. On the average, in the past 10 years, the area reported in the second forecast has been about 84.5 percent of the total area reported in the final estimate. If the same trend is followed in the present season, a final figure of about 17,400,000 acres might be expected, which would be a sharp reduction from last year's final estimate of 18,812,000 acres. As pointed out earlier (see *Foreign Crops and Markets*, September 13, 1943), the reduction from last year's cotton acreage indicated by the recent estimate is largely the result of a general movement to shift crop acreages from fiber to food crops.

The increase in planted acreages noted in the second report of this season over the first, is about evenly divided among the variety groups of Bengals, Americans, Oomras, and other types; however, there is a significant increase this year in the longer-staple American varieties of cotton over preceding years. The present forecast places the acreage of this type at about 3,190,000, while the first forecast for this year was 2,815,000 acres. The final acreage report for last year showed only 3,149,000 acres in American-type cottons, and 2,907,000 acres were reported in this variety in the preceding year (1941-42).

A comparison of the reported acreages for the first and second forecasts of the 1943-44 crop by varieties shows: Bengals, first forecast, 1,587,000 acres and second forecast, 1,647,000 acres; Americans, 2,815,000 in the first, and 3,190,000 in the second; Oomras, 3,664,000 in the first, and 4,257,000 in the second; and other types, 2,544,000 acres in the first forecast, and 5,607,000 in the second. The second forecast is somewhat more complete than the first, since it includes a greater proportion of the planted acreage, as shown by the long-time average, but it is not necessarily indicative of the trend in planting areas, since a considerable acreage of the cotton in India remains to be planted.

INDIAN JUTE PRODUCTION DECREASES

The Government of India has released an estimate of 6,950,000 bales (2,780 million pounds) of jute for the crop of 1943, or a decrease of 23 percent from last year's production of 3,625 million pounds. Acreage is only 2,985,000, compared with 3,333,000 acres in 1942, and 5,669,000 in 1940, which was a record year. The present small crop is almost entirely the result of Government restriction.

Production has fluctuated considerably in recent years. This year's crop is the smallest reported during the past two decades, except in 1931, 1938, and 1941, and contrasts markedly with the 1942 crop, which has been exceeded since the high production years of 1926-1930 only by those of 1936, 1939, and 1940.

Brisk demand and unusually favorable prices during the planting season of 1940 influenced farmers to increase their plantings, and that year's crop was the largest on record. India had 115 jute mills with 67,730 looms, and they were active throughout the year, but the unusual crop resulted in a large carry-over. The State of Bengal, which produced 87 percent of the 1940 crop, launched a program of acreage reduction for the following year. The Governments of Bihar and Assam cooperated in the plan. The program succeeded so well that the 1941 crop was 58 percent smaller than the preceding one. Submarginal lands that had been newly planted to jute were abandoned or else planted to other crops. Reduction in favor of food crops became general. Relaxation of restrictions in 1942, however, resulted in a considerable increase in the crop for that year. Transportation was limited, and marketing became a problem for farmers who needed immediate returns. Minimum prices were set for jute and small loans were arranged for the farmers who had to hold their crops. Calcutta prices have been holding up well for raw jute, as mills have not always had their supply as soon as needed.

The jute carry-over in India on June 30, 1942, was estimated at approximately 1,571 million pounds, or a little more than half of that of the preceding year. Stocks at the end of June 1943 were estimated at close to 1,770 million pounds. In 1940, a carry-over of about 920 million pounds added to the crop of 5,269 million made a supply available in 1940-41 of more than 6,000 million pounds of jute; but due to continued mill activity, together with a shift in exports to a larger percentage of raw jute and a decreasing percentage of its manufactures, available supplies have been reduced each year. Present estimates indicate that approximately 4,550 million pounds will be available for consumption during 1943-44.

INDIA: Jute acreage and production, annual 1923-1943

YEAR	: ACREAGE: PRODUCTION :			YEAR	: ACREAGE: PRODUCTION :		
	: a/ :	: a/ :	: FROM NEPAL :		: a/ :	: a/ :	: FROM NEPAL :
	: 1,000 :	: 1,000 :	: 1,000 :		: 1,000 :	: 1,000 :	: 1,000 :
	: acres :	: pounds :	: pounds :		: acres :	: pounds :	: pounds :
1923	2,788:	3,360,400:	23,200:	1933	2,517:	3,194,800:	22,800
1924	2,770:	3,224,800:	28,000:	1934	2,670:	3,400,000:	22,000
1925	3,115:	3,576,000:	16,400:	1935	2,181:	2,886,000:	30,800
1926	3,847:	4,852,800:	16,000:	1936	2,886:	3,844,400:	21,600
1927	3,374:	4,075,200:	32,800:	1937	2,889:	3,462,400:	22,000
1928	3,144:	3,962,400:	28,800:	1938	3,165:	2,727,600:	18,400
1929	3,415:	4,134,000:	25,600:	1939	3,161:	3,895,200:	16,000
1930	3,492:	4,482,000:	26,000:	1940	5,669:	5,268,800:	5,200
1931	1,862:	2,216,800:	25,600:	1941	2,160: b/	2,189,600:	c/
1932	2,143:	2,828,800:	19,600:	1942	3,333: b/	3,624,600:	c/
	:	:	:	1943	2,985: b/	2,780,000:	c/

Compiled from Area and Yield of Principal Crops in India, and consular reports.

a/ Excludes Nepal. b/ Includes Nepal. c/ Not available.

ARGENTINE 1942-43 TOBACCO PRODUCTION LOW

The second estimate of the Ministry of Agriculture places the 1942-43 tobacco crop in Argentina at 32.9 million pounds, about 5 percent greater than the first estimate, primarily due to yields of late varieties larger than anticipated in the Territory of Misiones and the Provinces of Corrientes and Catamarca. It is reported that the 1942-43 crop was approximately equal to 1941-42 production, but was about 21 percent lower than the average production of 41.8 million pounds for the 3-year period, 1938-39 through 1940-41.

ARGENTINA: Production of tobacco, crop years 1938-39 to 1942-43

CLASS AND TYPE	1938-39	1939-40	1940-41	1941-42	1942-43
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
Dark air-cured:					
Native Misiones	9,983	9,716	11,982	6,141	3,708
Native Correntino	16,493	13,386	13,751	13,696	14,154
Native Colorado	776	1,369	535	1,998	1,261
Cuerda	2,188	1,944	1,693	1,077	791
Total	29,440	26,415	27,961	22,902	19,914
Light air-cured:					
Native Salteno a/	8,392	7,156	6,463	5,191	6,874
Native Sierro	134	218	151	25	73
Maryland-seed types	659	359	268	322	401
Burley-seed types	200	187	123	41	97
Total	9,385	7,920	7,005	5,579	7,445
Flue-cured Virginia-seed types	1,529	1,224	1,569	1,692	2,099
Fire-cured Kentucky-seed types	1,241	1,162	668	864	1,592
Cigar types:					
Habano	618	849	243	323	500
Bahia b/	1,803	1,670	2,137	1,279	1,259
Hungaro	800	1,493	82	30	15
Total	3,221	4,012	2,462	1,632	1,774
Others	40	40	66	63	62
Total	44,856	40,773	39,731	32,732	32,886

Compiled from official sources.

a/ Some of this type is flue-cured.

b/ Cigar type used principally for cigarettes in Argentina.

In recent years production of some foreign types, particularly of Virginia-seed flue-cured and to a less extent of Kentucky-seed fire-cured, has shown rather steady increases. Production of these two types in 1942-43 amounted to about 2,099,000 pounds and 1,592,000 pounds, respectively, compared with only 1,692,000 and 864,000 pounds in 1941-42. About 82 percent of total 1942-43 production, however, was composed of native dark air-cured and light air cured types.

CUBAN 1943-44 TOBACCO PLANTINGS LARGER; EXPORTS AND CONSUMPTION INCREASE; STOCKS REDUCED

Continued heavy demands combined with declining stocks have resulted in more favorable prices to Cuban tobacco growers, and plantings for the 1943-44 crop are expected to be considerably larger than 1942-43 plantings. Leaf stocks have declined sharply during the past 2 years as a result of continued exports, lower 1942-43 production, and increased domestic consumption, according to a report from Charles W. Smith of the American Embassy Staff in Habana.

Estimates by the trade, which are considered more reliable than early estimates by the National Commission for Habana Tobacco Defense and Propaganda, indicate a 1942-43 production of only 37.2 million pounds as compared with a 1941-42 crop of 51.4 million pounds, and an average production of 50.9 million pounds during the crop years 1936-37 through 1940-41. The decline in 1942-43 production results primarily from dry weather in the Remedios district. No information has been received regarding 1942-43 acreage, but it is believed that it did not differ greatly from the 1941-42 area of 99,578 acres. The average acreage for the period 1936-37 through 1940-41 was 103,428 acres.

CUBA: Acreage and production of tobacco by districts, average 1936-37 through 1940-41, yearly 1941-42 and 1942-43

DISTRICT	ACREAGE			PRODUCTION		
	AVERAGE			AVERAGE		
	1936-37	1941-42	1942-43	1936-37	1941-42	1942-43
	THROUGH		a/	THROUGH		b/
	1940-41			1940-41		
				1,000	1,000	1,000
	Acres	Acres	Acres	pounds	pounds	pounds
Vuelta Abajo	41,242	33,822	-	20,704	18,362	16,500
Semi-Vuelta	5,197	2,837	-	2,052	949	1,200
Partido	2,056	1,585	-	1,383	1,018	1,500
Remedios	53,300	60,382	-	25,316	30,222	17,000
Oriente	1,633	952	-	1,465	849	1,000
Total	103,428	99,578	-	50,920	51,400	37,200

Compiled from official sources, except where indicated.

a/ Not available.

b/ Trade estimate.

Since the war the European market for Cuban tobacco has been practically cut off, but increased exports to the United States, composed principally of stemmed filler, totaled 19.2 million pounds and 20.6 million pounds, respectively, in 1941 and 1942 and have to a great extent offset the loss of European markets. Exports to the United States during the first 6 months of 1943 amounted to 15.4 million pounds (54 percent stemmed) out of total leaf exports of 18.1 million pounds. Exports of leaf tobacco from Cuba during the 5 years 1936-1940 averaged about 26.7 million pounds annually, more than half of which was unstemmed filler. During the period, considerable quantities of leaf were also exported to Spain, Germany, Argentina, and the Netherlands.

Exports of Cuban cigars have declined during the war, chiefly because of suspension of United Kingdom purchases, and amounted to only 265,000 pounds in 1942, valued at \$1,534,000, compared with an average of 459,000 pounds during the 5 years 1936-1940. Exports of cigars in the first 6 months of 1943, however, totaled 289,000 pounds, valued at \$1,411,000.

Exports of cigarettes and smoking tobacco, relatively unimportant in Cuban tobacco trade, totaled only 114,000 pounds and 60,000 pounds, respectively, in 1942, but were almost double average quantities exported annually during the period 1936-1940. Exports of these products during the first 6 months of 1943 showed a considerable decline from exports in the corresponding period of 1942.

Reports indicate that increased purchasing power has greatly stimulated domestic consumption of cigars and cigarettes since the beginning of the war. In 1942 cigar consumption was more than double average consumption for the 1936-1940 period. Cigarette consumption was about 25 percent greater than the average for the same period. Figures for the first 6 months of 1943 are approximately the same as those for the corresponding period of 1942, indicating that consumption has leveled off in recent months.

A comparatively small amount of smoking tobacco is used in Cuba. The general trend of consumption has been downward in the past few years, as improved purchasing power has enabled the purchase of larger quantities of ready-made cigars and cigarettes. In 1942, a total of only 98,000 pounds was consumed in Cuba, compared with an average of 131,000 pounds during the 5 years 1936-1940.

Although exact data are not available covering existing stocks of tobacco in Cuba, it is generally recognized that they have declined considerably in recent months as a result of continued exports, lower 1942-43 production, and greatly increased domestic consumption. The Tobacco Commission unofficially estimated stocks on June 30, 1943, at 41.9 million pounds, all of which was old-crop leaf.

Practically all of the 1942-43 crop has been sold to dealers, and it is expected, according to reports, that there will be very little old-crop leaf (crops prior to 1942-43) in Cuba by the end of 1943. The 1942-43 crop brought prices considerably above those paid for the 1941-42 crop, primarily due to heavy demands and small carry-over. As a result, increased acreages are expected for the 1943-44 crop year.

CUBA: Exports of tobacco and tobacco products by country of destination,
average 1936-1940, 1941, 1942, and January-June 1943

PRODUCT AND DESTINATION	AVERAGE 1936-1940	1941	1942	JANUARY-JUNE 1943
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Leaf tobacco: <u>a/</u>				
United States	13,727	19,171	20,605	15,351
Germany	2,709	0	b/	b/
Spain	5,451	6,556	b/	b/
Netherlands	1,123	0	b/	b/
Argentina	909	814	2,043	216
Others	2,797	2,961	4,478	2,569
Total	26,716	29,502	27,126	18,136
Cigars: <u>c/</u>				
United States	45	65	61	39
Spain	71	154	111	216
United Kingdom	234	1	b/	b/
Others	109	81	93	34
Total	459	301	265	289
Cigarettes: <u>d/</u>				
Panama	42	52	74	13
Spain	9	e/	b/	e/
United Kingdom	4	8	b/	b/
Others	21	26	40	16
Total	76	86	114	29
Cut tobacco:				
France	6	0	b/	b/
Spanish Africa <u>f/</u>	7	2	18	2
United States	1	2	b/	2
Others	21	14	42	2
Total	35	18	60	6

Compiled from official sources.

a/ Includes trimmings and scrap, and is on an actual-weight basis.

b/ If any, included with "others."

c/ Converted on basis of 14.9 pounds to a thousand pieces.

d/ Converted on basis of 2.85 pounds to a thousand pieces.

e/ Less than 500 pounds

f/ Includes Canary Islands.

LIVESTOCK, MEATS, AND WOOL . . .

Arthur T. Thompson, in charge

URUGUAY SLAUGHTERS MORE SHEEP

Preliminary estimates of 1943 slaughterings at the four principal packing plants in Uruguay indicate a reduction of 4 percent in the slaughter of cattle and calves to 1,048,000 head and a reduction of 36 percent in hog slaughter to 60,000 head, but increased slaughtering of sheep made up for the reduction in cattle and hogs. According to the latest reported estimates, the slaughter of sheep and lambs in these four plants was increased by 31 percent, reaching 1,561,000 head. These estimates are based on actual slaughter for the first 6 months of the year and tentative estimates for the last 6 months.

URUGUAY: Slaughter by the four largest packing plants in Uruguay,
1936-1943

YEAR	SLAUGHTER BY FOUR LARGEST PACKING PLANTS <u>a/</u>		
	CATTLE AND CALVES	SHEEP AND LAMBS	HOGS
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
1936	834	838	-
1937	932	1,152	-
1938	964	1,007	92
1939	961	1,508	107
1940	942	1,331	110
1941	995	699	119
1942	1,096	1,195	94
1943 <u>b/</u>	1,048	1,561	60

Compiled from the Review of the River Plate and information received from the American Embassy at Montevideo.

a/ For export and domestic consumption in the National Freezing Company, Swift of Montevideo, Artigas, and Anglo of Uruguay.

b/ Last 6 months estimated.

Slaughter at these four packing plants is not an absolute indication of export slaughter, because a considerable number of animals killed in these freezing companies enters domestic consumption channels, especially from slaughter at the National Freezing Company. In 1942 the slaughter in these four plants represented approximately 90 percent of total recorded slaughter of cattle and calves in Montevideo and in the interior of the country, 60 percent of which was for export and 40 percent for local consumption. In the same year these packing plants killed 84 percent of the recorded slaughter of sheep and lambs, 72 percent being for export. In 1941 the same plants killed 69 percent of the recorded hog slaughter, only about 10 percent of which was for export. Comparisons are available for only a few of the war years but these figures indicate that the percentage of cattle and calves and of sheep and lambs slaughtered for export has increased. Hog slaughter is relatively unimportant.

URUGUAY: Commercial slaughter for export and domestic consumption,
1941-1943

CLASSIFICATION	EXPORT			DOMESTIC CONSUMPTION			TOTAL FOR EXPORT AND DOMESTIC CONSUMPTION
	AT	OUTSIDE		AT	OUTSIDE		
	MONTE- VIDEO	MONTE- VIDEO	TOTAL	MONTE- VIDEO	MONTE- VIDEO	TOTAL	
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cattle and calves:	head	head	head	head	head	head	head
1941	633	a/	633	377	124	501	1,134
1942 b/	648	90	738	378	106	484	1,222
1943 c/	793	a/	793	350	d/	350	e/ 1,143
Sheep and lambs :	:	:	:	:	:	:	:
1941 f/	513	a/	513	186	108	294	807
1942	939	a/	939	256	105	361	1,300
1943 g/	810	-	-	305	-	-	g/ 1,990
Hogs :	:	:	:	:	:	:	:
1941 f/	9	4	13	124	-	124	137
1942 h/	-	-	-	94	4	98	98
1943 c/ h/	2	-	-	80	-	-	-

Compiled from reports received from the United States Embassy at Montevideo.

a/ Included with slaughter for Montevideo. b/ Compiled from monthly reports of cattle slaughter. c/ Estimate. d/ Evidently included with slaughter at Montevideo.

e/ Cabled information. f/ Details as furnished by consular report. g/ Unofficial estimate based on total reported slaughter for 7 months of 1942 and 1943.

h/ Incomplete - not comparable with figures for 1941.

Total reported slaughter of cattle and calves for the first 8 months of 1943 for export and domestic consumption amounted to 1,022,743 head, an increase of 7 per cent compared with the corresponding period of 1942, slaughter in the last part of the year, however, was indicated to be considerably below that of the first part of the year when drought conditions were serious. This includes slaughter for export and domestic consumption at the four large freezing companies at Montevideo and four freezing companies in the interior and probably represents the bulk of the commercial slaughter of Uruguay. The total recorded slaughter of sheep and lambs for the first 7 months of 1943 totaled 838,375 head, an increase of 53 percent above the corresponding period of 1942. Slaughter in the last part of the year is expected to be heavy, according to all indications.

NEW URUGUAYAN WOOL CLIP LARGER

Uruguay will have a large wool clip in the 1943-44 season (October-September), according to preliminary estimates. Sheep numbers are at a high level and sheep suffered materially less from the drought of 1942-43 than cattle.

The number of sheep on October 1, 1942, was estimated at 22 million head, the largest number for many years, and the number has not changed substantially since then. Sheep are fairly widely distributed throughout the Republic, outside the densely populated and intensively cultivated area adjoining Montevideo. The greatest density is found in the south-central area, which supports 1/2 to 2 animals per hectare (2.471 acres). They are least concentrated in the departments adjoining the River Plate

and River Uruguay, particularly in Canelones, San Jose, and Colonia, where agriculture is farthest developed. Average production of wool per sheep in 1941-42 was 8.1 pounds compared with an average of 7.0 pounds in the 5 preceding years. In the south-central regions and southeastern regions the average production is 6.5 to 7.7 pounds per sheep.

URUGUAY: Carry-over, production, and available supplies of wool,
1943-44 with comparison

SEASON	CARRY-OVER	PRODUCTION	TOTAL AVAILABLE:	EXPORTS
OCTOBER 1 TO	AT BEGINNING OF:		SUPPLIES	
SEPTEMBER 30	SEASON		FOR DISPOSAL	
	Million pounds	Million pounds	Million pounds	Million pounds
1934-35	9.9	119.0	128.9	118.9
1935-36	10.2	113.0	123.2	114.0
1936-37	11.3	116.2	127.5	121.7
1937-38	2.8	116.3	119.1	92.7
1938-39	20.8	125.4	146.2	128.0
Average	11.0	118.0	129.0	115.1
1939-40	9.4	133.9	143.3	106.4
1940-41	26.5	139.0	165.5	145.2
1941-42	9.5	117.0	126.5	57.8
1942-43	58.8	130.0	188.8	105.1
1943-44	a/ 74.0	b/ 134.0	208.0	c/

Compiled from official sources.

a/ Apparent carry-over. Much of this wool has been sold. Quantities available for purchase on October 1 were estimated at from 5 to 7 million pounds.

b/ Preliminary estimates vary from 132 to 137 pounds. c/ Not available.

The new clip is estimated tentatively at 134 million pounds, an increase of 3 percent above the revised estimate for 1942-43 and 14 percent above the average for the 5 seasons 1934-35 to 1938-39. Last season's production was larger than originally expected, partly as the result of larger quantities of wool pulled from slaughtered sheep. Sheep slaughter was materially above a year earlier, the increase at freezing companies for the first 7 months of this year being 97 percent for adult animals and 34 percent for lambs. About 60 percent of the number killed consisted of lambs.

Apparent supplies of wool for disposal during the new season, including wool already sold but not yet shipped, are estimated provisionally at 208 million pounds, an increase of 10 percent above the large supplies of a year ago. Most of the wool carried over or unshipped on October 30 this year, however, was already sold, a large part of it to the United States Defense Supplies Corporation, whereas a year ago the bulk of the carry-over was unsold, which created a problem for Uruguayan producers and exporters. This was solved by an agreement between the United States and Uruguayan Governments whereby arrangements were made for the sale of most of the carry-over and a large part of the past season's clip to the United States Government. 1/ Official stock figures are not yet available for September 30.

1/ The treaty involved approximately 30,000 bales (about 30 million pounds) of the 1941-42 carry-over and 37,500 bales (38 million pounds) of the 1942-43 clip.

unsold wool on hand at the beginning of October 1943 was estimated at between 5 and 7 million pounds of inferior wool. Prices offered by United States purchasers in the first 2 weeks of the new season are reported as too low to stimulate any activity in the Montevideo market.

Exports of wool during the season just closed amounted to 105 million pounds and were 82 percent larger than the unusually small exports of 1941-42. The United States took 98 million pounds, which was 93 percent of the total and 126 percent more than was shipped to the same destination in 1941-42, but 18 percent under 1940-41 takings. Most of the remainder was shipped to Sweden, although shipments to that country were only about half as large as in 1941-42. In 1938-39, the last pre-war year, 86 percent of total exports from Uruguay were to Europe, whereas only 14 percent were to non-European countries. In 1942-43, shipments to non-European countries, principally the United States, composed 94 percent of the total.

URUGUAY: Exports of wool, by destination, October-September,
1938-39 to 1942-43

COUNTRY OF DESTINATION	1938-39 1,000 pounds	1939-40 1,000 pounds	1940-41 1,000 pounds	1941-42 1,000 pounds	1942-43 1,000 pounds
Non-European					
United States	16,581	36,880	119,691	43,197	97,648
Brazil	92	142	410	42	1,127
Mexico	-	-	1,231	1,197	34
Bolivia	-	-	152	257	409
Paraguay	-	18	44	126	16
Other South America:	-	10	35	48	-
Japan	1,385	5,531	7,533	134	-
Other Asia	-	-	168	8	-
South Africa	-	99	230	-	-
Total	18,058	42,680	129,494	45,009	99,234
European					
United Kingdom	10,763	1,423	-	-	-
Sweden	3,075	15,841	7,769	12,798	5,805
Soviet Union	-	-	5,574	-	-
Germany	36,169	4,416	-	-	-
Belgium	18,253	3,628	-	-	-
Italy	16,065	13,341	-	-	-
Netherlands	8,367	13,552	-	-	-
France	6,463	1,137	-	-	-
Denmark	1,641	1,261	-	-	-
Poland	7,651	-	-	-	-
Switzerland	-	6,492	1,707	-	-
Greece	691	1,446	63	-	-
Others	796	1,185	603	-	16
Total	109,934	63,722	15,716	12,798	5,821
Total all countries:	127,992	106,402	145,210	57,807	105,055

Compiled from monthly reports from the United States Embassy at Buenos Aires.

As soon as the war is over it may be expected that European demand will revive, which will result in a more normal distribution of the Uruguayan wool exports. Meanwhile the clip will undoubtedly find a wartime market in the United States, as the bulk of the wool produced in Uruguay consists of fine crossbred wool greatly in demand by the United Nations for Uniforms. Uruguayan wool dealers and exporters were authorized to deliver direct to the United States Defense Supplies Corporation for a period of 90 days from July 13, 1943. Originally the Uruguayan Government was authorized to decide on the volume of wool to be distributed among individual exporters. In July the Coordinating Commission for the execution of the Wool Treaty adopted the resolution of the Assembly of Dealers and Exporters of Wool to the effect that the establishment of individual quotas seemed unnecessary since the fineness and qualities designated in the Treaty would not cover the quotas.

Domestic consumption of raw wool in Uruguay is relatively small, although it has been increasing since the war began. Consumption in 1942-43 was estimated at 10 million pounds, and a slight increase is indicated for 1943-44. Prior to the war, consumption averaged only 5 million pounds for the seasons 1934-35 to 1938-39.

UNITED KINGDOM WOOL MANUFACTURING INDUSTRY CONTINUES TO BE ON REDUCED SCALE

Business and manufacturing conditions in the United Kingdom wool industry in August were at a lower level than in any previous month of the war. This was partly due to the wartime economic policy of the British Government and partly to the vacation season. The wool industry has released large numbers of workers for the vital war industries and also has lost many men drafted into the armed forces.

The wool manufacturing industry and the labor supply have been closely related. Production is dependent on Government orders, home civilian trade, and the export trade. Government contracts have steadily declined during recent months, indicating that stocks of manufactured articles for Government use are adequate. The export trade has been reduced to the minimum needs of the Empire countries, with no production for export for the United States or for Latin America. The home trade constitutes the only remaining outlet, and even this is restricted by raw-material and consumer-rationing quotas.

Prices of raw material for the home trade for the rationing period November 1, 1943 to February 29, 1944, are unchanged and have been the same since November 1, 1940 (Issue Prices No. 13 and 14). The interest of the British Government in keeping down living costs is illustrated by the fact that the 15-percent increase on wool prices paid to Dominion countries in 1942-43 was not reflected in the issue prices of raw material to the home trade for domestic consumption.

Prices of wool and tops sold to spinners and manufacturers for production of yarns and fabrics for export are issued by the wool Control at the rates in effect since July 1, 1942 (Issue Prices No. 17 and 18). These prices are 20 percent higher than prices of such material sold for the domestic trade and reflect the 15-percent increase to Dominion growers. Wool and tops sold by the Wool Control for export in their existing state are 2.5 percent higher than Issue Prices No. 17 and 18.